

FILED

December 15, 2023

**SUPERIOR COURT OF NJ
MERCER VICINAGE
CHANCERY**

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**IN THE MATTER OF THE
LIQUIDATION OF SECURITY
INDEMNITY INSURANCE
COMPANY**

**SUPERIOR COURT OF
NEW JERSEY
MERCER COUNTY
CHANCERY DIVISION**

DOCKET NO.: MER-C-62-03

ORDER

THIS MATTER having been opened to the Court by Stern & Eisenberg, PC, attorneys for Justin Zimmerman, Acting Commissioner of Banking and Insurance of the State of New Jersey, in his capacity as Liquidator of Security Indemnity Insurance Company, upon notice to all parties requiring notice, for an Order approving the determination of claims, confirming the final distribution of assets, authorizing the elimination of records, and closing of the estate of Security Indemnity Insurance Company in Liquidation (the "*Estate*"), and the Court having considered the moving papers and any opposition papers thereto, if any, and for good cause shown:

IT IS on the 15th day of December, 2023.

ORDERED as follows:

1. Plaintiff's Motion is **GRANTED**.
2. The Security Indemnity Insurance Company in Liquidation Proposed Final

Distribution Formula, in accordance with the allocations identified in the Certification of Michelina A. Lombardo at Exhibit Appendix 61, appended hereto, is approved.

3. The Liquidator is authorized to, and shall initiate, an \$8,148,383.93 final distribution to priority one and priority four claimants, pursuant to N.J.S.A. 17:30C-31, as set forth below.

4. The Liquidator shall distribute \$23,610.27 to the sole priority one claimant, the New Jersey Property-Liability Insurance Guaranty Association, identified in the Certification of Michelina A. Lombardo at Exhibit Appendix 62, line 5, appended hereto.

5. The Liquidator shall distribute \$7,660,377.08 to six (6) priority four Guaranty Association claimants, identified in the Certification of Michelina A. Lombardo at Exhibit Appendix 62, line 14, appended hereto, as follows:

- a. Connecticut Insurance Guaranty Association: \$76,784.26;
- b. Maryland Property & Casualty Insurance Guaranty Corporation: \$49,004.29;
- c. Minnesota Insurance Guaranty Association: \$7,132.77;
- d. New Jersey Property-Liability Insurance Guaranty Association: \$5,514,928.57;
- e. New York Liquidation Bureau: \$1,568,532.39; and
- f. Pennsylvania Property & Casualty Insurance Guaranty Association: \$443,994.80.

6. The Liquidator shall distribute \$464,396.58 for 378 Non-Guaranty Association claims, in accordance with the allocations identified in the Certification of Michelina A. Lombardo at Exhibit Appendix 63-64, appended hereto.

7. The Liquidator has established, and this Court approves, the Liquidator's maintenance of a reserve account in the amount of \$20,500.00 for administrative and operating expenses necessary to complete the remainder of the liquidation proceeding for the Estate (the "*Reserve*"). Included in the Reserve are costs specific to applicable destruction fees for certain records, as required.

8. If any surplus Reserve remains or any assets are recovered by the Liquidator after the date of final distribution, if economical and practical, distributions shall be paid after deduction for any associated administrative expenses of the Liquidator, *pro rata*, to all allowed claimants that have not been satisfied. If the Liquidator determines that the distribution of such assets would be uneconomic or otherwise impractical, the Liquidator shall escheat such assets to the State of New Jersey Department of the Treasury, Unclaimed Property Administration (the “UPA”), after adjustment for any associated administrative expenses of the Estate.

9. Payment by the Liquidator to any claimant shall be complete upon the mailing of the funds to the claimant at the claimant’s last known address. If a payment is returned and, after reasonable inquiry, the whereabouts of the claimant remain unknown to the Liquidator, the Liquidator shall escheat the funds to the UPA. The Liquidator’s mailing of the funds to the UPA shall satisfy and release the Liquidator’s payment obligation to the claimant.

10. Personal property and non-essential records of the Estate within the Liquidator’s possession, custody and/or control that will not adversely affect any party’s rights can be immediately destroyed. N.J.S.A. 17:30C-9(a).

11. Records relating to the Liquidation may be destroyed, but no earlier than the expiration of one (1) year from the completion of the Liquidation and making of the final distribution. N.J.S.A. 17:3A-3a.

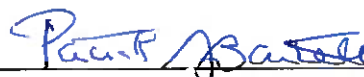
12. Upon completing the final distribution of funds in its entirety and filing of the final statement of accounting with the Court, the Liquidator and/or his representatives will have satisfied the conditions as set forth in this Order.

13. Upon compliance with this Order, and the filing with this Court of a final accounting, the Acting Commissioner of Banking and Insurance of the State of New Jersey, the Acting Commissioner of Banking and Insurance of the State of New Jersey as Liquidator of Security Indemnity Insurance Company, the Deputy Liquidator, and their agents, attorneys, employees, successors, assigns, and other representatives and agents are forever discharged, released and held harmless from any and all liability arising out of the liquidation of the Estate, and this Liquidation proceeding shall be terminated without need for any further order of Court.

14. Notice of this Order shall be published on the State of New Jersey Department of Banking and Insurance website for no less than one hundred twenty (120) days.

15. The Acting Commissioner of Banking and Insurance of the State of New Jersey and his successors may take any and all additional actions that he deems advisable for the administration and termination of the Estate, without need for further application to, or approval of the Court.

16. Plaintiff shall, within seven (7) days after receipt of this Order by his counsel, serve a copy of this Order upon all parties who received notice of the Motion by First-Class Mail.



Patrick J. Bartels, P.J. Ch.

Opposed

Unopposed